

**LEGISLATIVE SERVICES AGENCY  
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**FISCAL IMPACT STATEMENT**

**LS 6853**

**BILL NUMBER:** HB 1131

**NOTE PREPARED:** Dec 29, 2005

**BILL AMENDED:**

**SUBJECT:** Cable Franchises.

**FIRST AUTHOR:** Rep. Hinkle

**FIRST SPONSOR:**

**BILL STATUS:** As Introduced

**FUNDS AFFECTED:**     **GENERAL**  
                              **DEDICATED**  
                              **FEDERAL**

**IMPACT:** Local

**Summary of Legislation:** This bill prohibits a unit of local government from granting a franchise for the provision of video programming or other programming service on terms or conditions more favorable or less burdensome than those of any existing franchise.

The bill also specifies that a new franchise must impose on the new cable operator equivalent obligations concerning: (1) public, educational, or government access facilities; or (2) other requirements; imposed on an existing operator under an existing franchise.

**Effective Date:** July 1, 2006.

**Explanation of State Expenditures:**

**Explanation of State Revenues:**

**Explanation of Local Expenditures:**

**Explanation of Local Revenues:** The fiscal impact of this bill could vary among local units depending on the provisions contained in their current franchise agreements and provisions sought for new franchises.

This bill could prevent a local governmental unit from losing fee revenue from franchise agreements. It could also prevent a unit from gaining additional revenue. For example, some municipalities, in their municipal code, allow for a franchise fee provision to be included in cable franchise agreements. One municipality in Indiana

charges a franchise fee of 5% of the operator's gross revenue, less taxes and other fees charged by the unit. Other units allow for the fee to be set in the agreement, but not all units address the agreements in detail.

**State Agencies Affected:**

**Local Agencies Affected:** Counties, municipalities, and townships.

**Information Sources:**

**Fiscal Analyst:** Valerie Ruda, 317-232-9867.